



NEWS RELEASE

*Office of the
United States Attorney
for the
District of Nebraska*
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April 6, 2009

United States Attorney Joe W. Stecher, the Office of Inspector General for the Federal Deposit Insurance Corporation, and the Federal Bureau of Investigation announce the following information for the attention of the media:

Event Triggering this Release:

On April 6, 2009, Ray Van Norman was sentenced by the Honorable Judge Laurie Smith Camp, United States District Court Judge, to a period of five years supervised release and ordered to make restitution in the amount of \$5.7 million after being convicted of Bank Fraud.

During the period of January 1, 1997, through June 30, 2006, Ray Van Norman, in his capacity as Chief Executive Officer and Chairman of the Board of Directors of Minden Exchange Bank and Trust Company (MEBTC) in Minden, Nebraska, defrauded the bank of approximately \$5,700,000 by creating fictitious lines of credit, then advancing monies from these lines to pay down outstanding balances on poor performing loans at the bank.

As part of the scheme to defraud, Van Norman renewed old loans and advanced new loans to various MEBTC borrowers, whom he knew to be unqualified to receive additional funding because of the borrowers' failure to perform on earlier loans. Van Norman, in order to make it appear that the MEBTC borrowers were qualified to receive loans, renewals and new loan advances, would falsify promissory notes, financial statements and livestock inventory appraisal reports, and make it appear there was sufficient livestock inventory of value to properly collateralize various cattle loans.

Additionally, Van Norman renewed various loans at MEBTC in which there was no prospect for payment, and concealed from MEBTC and the bank regulatory authorities, the true nature of the loans. Further, Van Norman accepted promissory notes payable to himself and customers of the bank in exchange for the unauthorized transfer of funds to the customers.

Van Norman also falsified MEBTC bank records to conceal many of the activities from the bank owners, as well as the Federal Deposit Insurance Corporation. As a result of Mr. Van Norman's criminal activity, the bank suffered a loss of approximately \$5,700,000.

Name of Defendant: Ray Van Norman

A.K.A. None

Age: 80

Crime(s) Charged and Potential Penalty (A CHARGE is merely an accusation and every defendant is presumed innocent until and unless proven guilty): Bank Fraud; Up to 30 years imprisonment, \$1,000,000 fine, 5 years supervised release, and \$100 Special Assessment.

Specific Location of Alleged Crime: Minden, NE

Location of Arrest: N/A

Alleged Dollar Loss/Type and Quantity of Drug: \$5,700,000

Others Charged in Same Scheme: N/A

Relevant Dates:

Date of Alleged Crime: 1997-June, 2006

Federal Arrest Date: N/A

Date Complaint Issued: N/A

Indictment Filed Date: June 18, 2008

Initial Appearance Date: July 15, 2008

Plea or Trial and Date(s): November 19, 2008

Sentencing Date: April 6, 2009

Next Court Hearing Type and Date: N/A

Assigned Magistrate Judge: F. A. Gossett

Held without Bond, or Released from Custody: Released from Custody

In Continuous Custody Since: N/A

Assigned District Court Judge: Laurie Smith Camp

Initials of Assigned AUSA/Preparer of THIS Release: RXM